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P 271529Z OCT 08  
FM AMEMBASSY HARARE  
TO RUEHC/SECSTATE WASHDC PRIORITY 3618  
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
RUEHUJA/AMEMBASSY ABUJA 2109  
RUEHAR/AMEMBASSY ACCRA 2380  
RUEHDS/AMEMBASSY ADDIS ABABA 2500  
RUEHBY/AMEMBASSY CANBERRA 1776  
RUEHDK/AMEMBASSY DAKAR 2131  
RUEHKM/AMEMBASSY KAMPALA 2556  
RUEHNR/AMEMBASSY NAIROBI 4984  
RUEAIIA/CIA WASHDC  
RUEHGV/USMISSION GENEVA 1649  
RHEHAAA/NSC WASHDC  
RHMFISS/JOINT STAFF WASHDC  
RUEHC/DEPT OF LABOR WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEFDIA/DIA WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK  
RUZEHAA/CDR USEUCOM INTEL VAIHINGEN GE

C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000965

SIPDIS

AF/S FOR B. WALCH  
AF/EPS FOR ANN BREITER  
NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN  
STATE PASS TO USAID FOR L.DOBBS AND E.LOKEN  
TREASURY FOR D. PETERS  
COMMERCE FOR BECKY ERKUL  
ADDIS ABABA FOR USAU  
ADDIS ABABA FOR ACSS

E.O. 12958: DECL: 10/27/2018  
TAGS: [ECON](#) [PGOV](#) [PREL](#) [ASEC](#) [ZI](#)  
SUBJECT: ZIMBABWE: ECONOMIC MINISTER PAINTS HIMSELF AS

REFORM-MINDED

Classified By: Ambassador James D. McGee for reason 1.4 (d)

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SUMMARY  
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11. (C) ZANU-PF Minister of Economic Development Sylvester Nguni in a meeting with emboffs on October 20 saw no evidence of policy shifts in ZANU-PF and suggested that the ruling party would eventually surrender economic policy to MDC in a face-saving move out of desperation. He asked for rapid donor assistance to buoy the reform process, and for the USG to appreciate and reward progress that ZANU-PF had made in the past year on the political front. Emphasizing that ZANU-PF was no longer monolithic, he asked for support for "change elements" in the party and contended that more ruling-party members wanted change than favored the status quo. While generally well-regarded across party lines as a right-thinking businessman, Nguni has no track record of positively influencing policy during his tenure in the economic or agriculture ministries. END SUMMARY.

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No Evidence of Policy Shifts in ZANU-PF  
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12. (C) Nguni opened his remarks to polecon chief and deputy on the political and economic situation in Zimbabwe by stating that he was a "minister in transition," and would speak on his own, not government's, behalf. (NOTE: Nguni was re-elected to Parliament this year in the rich agricultural district of Mhondoro-Mubaira in Mashonaland West province. END NOTE.) He proceeded to say that he saw no evidence of

policy shifts in ZANU-PF, or any indication of clarity on the economic front. He suggested that ZANU-PF, in a face-saving move under a Government of National Unity (GNU), would allow the MDC to introduce economic reforms, recognizing that the ruling party was incapable of tackling the problems on its own.

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A Plea for Donor Assistance  
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13. (C) On the political front, in his view political reform could no longer be stopped, but it could be delayed. He feared the MDC could allow the negotiations to drag on to the point that the process was overtaken by "other events" (unnamed) and the MDC lost everything. Pointing out the chasm in policy differences between the parties, he said the first Cabinet meeting under a GNU would tell all about the ability of the government to function effectively. The Cabinet had a tradition of consensus-based decision making, which would present an immediate challenge to the new mix of policy makers.

14. (C) Nguni commented on the desperate economic situation and estimated that about 40 percent of the households in his constituency received remittances amounting to the equivalent of about US\$100/month. He asked how quickly the donor community could provide assistance, without which, he contended, recovery would be slow and uncertain. We replied that reengagement was dependent on demonstration of political and economic reform.

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RBZ Governor Gono "Part of the Problem"  
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15. (C) Asked about his highest priority economic reform, Nguni called for immediate elimination of all the price distortions that the Reserve Bank of Zimbabwe (RBZ) had introduced. He called RBZ Governor Gono too powerful, too political, and "part of the problem." Prodded about what ministry he would like to head in a new government, he asserted that he could turn the agriculture sector around in six months as its minister.

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A Call for Support for "Change Elements" in ZANU-PF  
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16. (C) On U.S.-Zimbabwe relations, Nguni called the shift in ZANU-PF thinking in the past year & huge8 and progress on the political front significant. Never before had the two parties sat down to negotiate. He asked the USG, in response, not to berate Zimbabwe, rather to encourage and react faster and publicly to positive developments. He stressed that ZANU-PF was no longer a monolith and asked for our support of "change elements" in the party so that "anti-change elements" could see that the USG differentiated among the political players. He denied that ministers were under instruction not to meet with USG officials, but acknowledged that many ZANU-PF officials were afraid to meet with western diplomats. His closing message to embassies was that more ZANU-PF members wanted change than wanted the status quo. (NOTE: Nguni, who served as Deputy Minister of Agriculture under Joseph Made before becoming Economic Minister, is a Specially Designated National. He is also on the EU and Australian sanctions lists. END NOTE.)

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COMMENT  
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17. (C) Minister Nguni would clearly like the USG to regard him as one of the "change elements" in ZANU-PF. Having

adeptly managed the privatization of the Cotton Marketing Board in the early 1990s, he is widely regarded as an astute and pro-market businessman with a deep understanding of the agriculture sector. His name comes up invariably as a potential ZANU-PF Minister of Agriculture who would be acceptable to MDC. But his track record of reform in government is as good as invisible. END COMMENT.

MCCEE